

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08  
EA-10 FRB-03 INR-10 IO-13 NEA-10 NSAE-00 USIA-06  
OPIC-03 SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00  
OMB-01 SS-15 /105 W  
-----021463 300003Z /75

R 291242Z MAR 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 9213  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY LONDON  
AMEMBASSY ROME

LIMITED OFFICIAL USE PARIS 10356

USOECD

USEEC

PASS TREASURY (ALTHEIM)

E.O. 11652: N/A  
TAGS: EFIN, OECD  
SUBJECT: EXEMPTIONS FOR SPECIAL CUSTOMS OR MONETARY  
SYSTEMS FROM NON-DISCRIMINATION OBLIGATION OF OECD  
CODES OF LIBERALIZATION

REFS: A) DAF/INV/77.50 2ND REVISION; B) PARIS 4622;  
C) 77 PARIS 11325 NOTAL

1. AT ITS FORTHCOMING MEETING APRIL 3-5, INVISIBLES  
COMMITTEE (IC) WILL CONSIDER REPORT OF WORKING GROUP  
ESTABLISHED IN EARLY 1977 TO EXAMINE INTERPRETATION  
OF ARTICLES 9 AND 10 OF OECD LIBERALIZATION CODES,  
WHICH SET FORTH NON-DISCRIMINATION OBLIGATION AS WELL  
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AS EXCEPTION THERETO FOR SPECIAL CUSTOMS OR MONETARY  
SYSTEMS. ENGLISH VERSION OF PROVISIONAL WP REPORT  
(REF A) HAS NOT YET BEEN ISSUED; HOWEVER, COPY OF  
ROUGH VERSION WAS CARRIED TO WASHINGTON OVER EASTER  
WEEKEND FOR TREASURY (ALTHEIM) BY LLOYD JONNES OF  
USOECD.

2. WE CONSIDER THAT REF A IS SUPERIOR TO ITS PREDECESSORS IN THAT ISSUES AND THE POSITIONS ON THEM TAKEN BY VARIOUS IC MEMBERS ARE DESCRIBED REASONABLY ACCURATELY. HOWEVER, ON MOST QUESTIONS THE U.S. MEMBER IS IN A DISTINCT MINORITY, AND EVEN THE SUGGESTED "COMPROMISE" POSITION DESCRIBED IN REF C DOES NOT APPEAR TO BE ACHIEVABLE. (U.S. MEMBER'S VIEWS ON CONTROVERSIAL QUESTIONS ARE REFLECTED IN PARAGRAPHS 10, 16 AND 30 OF REF A.) GIVEN THIS LACK OF AGREEMENT, WE EXPECT THAT IC WILL PUT THIS REPORT IN ITS FILES RATHER THAN FORWARDING IT TO COUNCIL.

3. EVEN IF WP'S REPORT ITSELF WILL NOT BE CONSIDERED BY OECD COUNCIL, ISSUES DEALT WITH IN THE REPORT WILL NEED TO BE FACED BY IC WHEN IT EXAMINES ITALIAN RESTRICTIONS ON OUTWARD REAL INVESTMENT TRANSACTIONS (WHICH GAVE RISE TO IC STUDY), RECENT UK DISCRIMINATORY LIBERALIZATION OF SEVERAL TRANSACTIONS, AND VARIOUS OTHER PRACTICES OF EC MEMBERS WHICH MAY BE IDENTIFIED. UK MEASURES WILL BE CONSIDERED AS PART OF EXAMINATION BEGINNING AT JUNE IC SESSION OF UK'S RESERVATION TO CAPITAL MOVEMENTS CODE.

4. ACTION REQUESTED: MISSION WOULD APPRECIATE ANY COMMENTS WASHINGTON WISHES TO CONVEY PRIOR TO APRIL 5 IC MEETING AS TO ADEQUACY OF REF A REPORT AND WHAT LIMITED OFFICIAL USE

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DISPOSITION SHOULD BE MADE OF IT.  
SALZMAN

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REGULATIONS, EXCEPTIONS LIST, TARIFF LIBERALIZATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978PARIS10356  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780137-0158  
**Format:** TEL  
**From:** PARIS USOEC  
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**Line Count:** 96  
**Litigation Code IDs:**  
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**Litigation History:**  
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**Message ID:** 25795ebb-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 PARIS 4622  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3170060  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXEMPTIONS FOR SPECIAL CUSTOMS OR MONETARY SYSTEMS FROM NON-DISCRIMINATION OBLIGATION OF OECD CODES OF LIBERALIZATION  
**TAGS:** EFIN, FR, OECD  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014